

If you were Marissa Mayer of Yahoo, making nearly \$25 million for one year's worth of work — not to mention getting \$50,000 in company-paid personal security — the gender pay gap would probably not be a major concern. Women scaling the heights of corporate America tend to have compensation packages that are as jaw-droppingly gigantic as men at a similar level.

On the Equilar list, the technology industry has the most women — Ms. Mayer, Virginia M. Rometty of IBM and Meg Whitman of Hewlett-Packard. Their median pay, \$17.6 million, is more than that of the male tech chiefs, who earn \$15.9 million. The pay of at least three other women who are high-profile tech executives would have put them on the list had they been chief executives, according to Equilar: Safra A. Catz, president and chief financial officer of Oracle (\$43.6 million); Sheryl Sandberg, chief operating officer of Facebook (\$16.1 million); and Angela Ahrendts, the new retail chief at Apple. Her salary and bonus have not yet been released, but her equity award alone would catapult her near the top of the list, at \$68.5 million.

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On our annual list of the 200 highest-paid chief executives in the United States, there were just 11 women. That's 5.5 percent of the total, and similar to the 4.9 percent representation of female chief executives at the 1,000 biggest companies.

The Equilar Top 200 Highest Paid CEO Rankings, conducted for The New York Times, raises questions about whether executive compensation is out of hand and whether it is to blame for national economic inequality. But the numbers also reflect another imbalance — the lack of women at the pinnacle of corporate America.

Equilar, an executive compensation data firm, looked at companies with market values of \$1 billion or more that had filed proxies by May 30. In April, Sunday Business reported the findings of a preliminary Equilar study based on data for companies that had filed proxy statements by April 4 and that met a minimum threshold for revenue, not market capitalization.

Median pay for the women on the list of 200 C.E.O.s is \$15.7 million — \$1.6 million less than the median for men and for the group over all. There are too few women in the Equilar study to make anything of that difference in pay or to come to any definitive conclusions about gender and pay at the C.E.O. level. But the findings of a range of economists who have studied chief executive pay suggest that high-ranking women tend to do as well as high-ranking men — with some important caveats.

Those academic studies, along with the careers of the women on the list, provide a window into understanding why their numbers are so stubbornly low and why it seems to be easier in certain industries — most surprisingly, perhaps, in technology — for women to achieve the same level of success as men in terms of rank and pay.

For a woman whose career goal is to make scads of money, here are the basics: Get a job in tech, start at the highest-level job possible, work your way up to run a piece of the company's business (meaning, don't become the general counsel or head of human resources), work for a company with women on its board or among the chief-level executives known as the C-suite — and whatever you do, don't quit.

The highest-paid woman on the Equilar list was born a man.

Martine Rothblatt, born Martin Rothblatt, was the married father of four children and started Sirius Satellite Radio, now SiriusXM, before undergoing gender reassignment surgery in 1994. After one of her children was diagnosed with a disease, she founded United Therapeutics in 1996 and helped develop a drug to treat the illness. Last year, she was paid \$38 million in compensation, most of it in stock options, putting her at No. 10 on the list.

“Her equity grant is awarded based on company performance, the best way to be aligned with the interests of shareholders,” said Andrew Fisher, deputy general counsel at the company. Its stock price more than doubled last year, largely because it received Food and Drug Administration approval for a new drug, Orenitram.

Ms. Mayer, at \$24.9 million, was the second best-paid woman, followed by Carol Meyrowitz, who made \$20.7 million as head of TJX Companies, owner of T.J. Maxx, the discount apparel store.

Both also received the bulk of their pay in stock and options.

Consumer goods companies have historically had the most female chief executives, and two of the highest-paid women on our list are in that industry — Indra Nooyi of PepsiCo, who made \$13.2 million, and Irene Rosenfeld of Mondelez International, formerly part of Kraft Foods, who made \$14 million. But last year, two women became chief executives in a less traditionally female industry: military contracting. They are Marillyn A. Hewson at Lockheed Martin (\$15.7 million) and Phebe Novakovic of General Dynamics (\$18.8 million.)

Another female chief executive, Mary T. Barra of General Motors, in the news because her company is in trouble over the safety of its cars, would have been on the list had she been in that position last year. Her target pay for this year, according to Equilar, is \$14.4 million.

In the work force as a whole, women earn somewhere around 80 cents for every dollar earned by men. Economists have long wondered whether a perk of being the top boss is disappearance of that pay gap. The answer, it seems, is yes — for the most part. The pay gap at the executive level does not seem as extreme or inevitable as at lower levels, according to half a dozen studies on executive compensation. That makes sense, because a major reason for the gap is women's choosing more flexible hours to spend more time with children — and people do not generally rise to the very top by choosing flexible-hours jobs.

Studies show women in chief executive posts are paid less than men. But two of the most comprehensive and respected studies of executive compensation found little evidence of a gap between male and female chief executives after controlling for age and years of experience.

When those differences are factored in, women in the job of chief executive are actually paid more than men, one study found. Their lower pay largely results from the fact that they tend to become chief executives at a much younger age. Still, the question remains whether a woman deserves equal pay to a man with the same job responsibilities, even if she hasn't worked the same number of years.

One of those studies, written in 2011 by George-Levi Gayle of Washington University with Limor Golan and Robert A. Miller, when all three economists were at Carnegie Mellon, analyzed the Standard & Poor's ExecuComp database of 2,818 companies and 30,614 executives, and demographic information from Marquis Who's Who. The other study, by Marianne Bertrand of the University of Chicago and Kevin F. Hallock of Cornell, found women in the executive ranks earned about 45 percent less than their male counterparts, but the gap was almost entirely explained by the fact that the women tended to be younger and to run smaller companies.

Angela Ahrendts, Apple's new chief of retail operations, has already been awarded \$68.5 million in equity from the company. Credit James Hill for The New York Times Continue reading the main story

Pay packages, however, are complicated. After Jill Abramson, the first female executive editor of The New York Times, was dismissed last month, The New Yorker reported that she had objected to being paid less than her predecessor. The publisher of The Times dismissed that report, saying her total compensation in the most recent full year was in fact higher than her predecessor's ever had been.

Studies have found that subtle discrimination seems to come into

play in other compensation. Take pay-for-performance, a metric meant to tie a chief's pay to the success of the company itself. Three studies show that women in high-level jobs take the brunt of the penalty for negative performance. One found they reap less of the benefit for a positive performance. And men, more than women, receive bonuses for getting lucky — that is, when their companies perform well because of factors that have nothing to do with their own skills, according to a study by Karen V. Selody, now an economist at the Federal Reserve in Washington. She attributed that difference to bias on the part of boards.

“The old boys’ club insulates men,” Mr. Gayle said. “Women aren’t a part of the club, therefore their boards are not willing to do the same thing they are for men.”

Another indication that gender plays a role in executive pay is that female executives earn up to 20 percent more in companies where a woman is the chief executive or heads the board than at similar companies led by men, according to a paper by Linda A. Bell, an economics professor who is now provost and dean of the faculty at Barnard College. Companies led by women also have more women as senior executives.

“The help of women by women is an important factor in the career outcomes of women,” Ms. Bell wrote.

If that is true, the most troubling sign might be that the increase in the number of women in high-ranking jobs has stalled, according to the 2013 census of the 500 biggest companies by Catalyst, a nonprofit research firm studying women in business. Women hold 16.9 percent of board seats and 14.6 percent of executive posts, and account for 8.1 percent of the top five earners at those companies — all numbers that have stopped growing. The percentage of female chief executives at the 1,000 largest

companies is growing, but at a tortoiselike rate — from 1.7 percent a decade ago to 4.9 percent now.

“I wouldn’t call 4 percent representation progress, and certainly not rapid progress,” said Heather Foust-Cummings, leader of the Catalyst Research Center for Equity in Business Leadership.

The reasons are many, people studying the issue say. Some women avoid highly competitive jobs and negotiate less aggressively, some boards discriminate against women and some women resist the long hours and heavy travel that come with the top job. Still, none of those explain why progress has stalled after years of accelerating.

One reason, according to a study by Ms. Bertrand with Claudia Goldin and Lawrence F. Katz, both Harvard economists, is that in business and finance, more than in other highly skilled fields like law and medicine, women have an unusually hard time balancing career and family. Because of the long hours and inflexibility of the jobs, they find they must take time out of the work force; women with M.B.A.s who take a break in their career never recover in pay.

Yes, men also have children. But the highest-earning female executives with small children spend 25.2 hours on child care per week, while the highest-earning male executives spend 10.2 hours, according to an analysis of data from ExecuComp and the American Time Use Survey by Stefania Albanesi, now an economist at the Federal Reserve Bank of New York, and Claudia Olivetti, an associate professor of economics at Boston University.

One result is that women simply do not stay at companies long enough to become the chief executive, Mr. Gayle concluded.

The probability that a female executive becomes C.E.O. is half that of a man, his study found. But if a woman on a path to management sticks around for 15 years or more, she has a greater chance than a man of being C.E.O. The reason there are few such survivors is that women start at lower-level executive positions and leave at a rate 1.5 times that of men, he said.

The average age of the women in his study was 52, so they weren't leaving to raise children. Rather, they were dissatisfied with their jobs, sometimes because of discrimination, disrespect or family caretaking responsibilities, according to his analysis of previous research.

"People who rise to the top from the smaller group of women are going to be the extraordinary ones, more so than the ones that rise to the top of the larger group of men," Mr. Gayle said. "Men stick around longer and they basically wait out the women."

Marissa Mayer, the C.E.O. at Yahoo, earned \$24.9 million and was hired when she was pregnant. The tech industry tends to be more flexible about priorities outside work, especially for high-performing employees.

If business as a whole is difficult for many women holding executive posts, one industry seems to be better: technology. That is surprising, because tech is a particularly unwelcoming industry for women. Google highlighted the problem last month when it revealed that just 30 percent of employees and 17 percent of technical workers were women.

But for women who stick with technology companies, the career path seems to open up. That might be in part because women are particularly underrepresented in the engineering side of tech companies as opposed to the business side, and executive jobs



often go to people with business backgrounds. Ms. Mayer of Yahoo, an engineer, is a notable exception.

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When Sukhinder Singh Cassidy was president of Asia Pacific and Latin America operations at Google and pregnant, she asked her bosses to pay for her baby and nanny to travel the world with her, business class. Her bosses agreed.

“One of the things tech embraced early is flexibility around how you work; not how hard you work, but how you work,” said Ms. Singh Cassidy, who is now chief executive of Joyus, a video shopping site. “Silicon Valley favors the rock star, including the female rock star, and once you’re there they do everything they can to keep women in the C-suite and promote them.”

Still, despite tech’s celebrity women, it is no garden of equality: fewer than 6 percent of executives in the tech industry are women, according to an analysis of ExecuComp data by Mr. Gayle. Most are also white.

“I appreciate there are people like Marissa Mayer who are able to make it where they are in the industry, but she’s the exception,” said Ashe Dryden, a programmer and consultant on diversity in technology.

That applies across corporate America, said Jeffrey A. Sonnenfeld, a professor at Yale School of Management and founder and president of the Chief Executive Leadership Institute there.

“The women in tech, they’re standing out. You’re not saying, ‘There’s a couple really exceptional guys at Intel,’ ” he said. “It shouldn’t be something that’s hyphenated as part of their identification as an interesting story. It should be something commonplace by now.”

